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APPENDIX II.

[Vide item IX on page 25 supra.]

Address by Shri Bisnuram Medhi, Governor of Madras, to the Madras Legislative Assembly and the Madras Legislative Council, assembled together at the Assembly Chamber, Fort St. George, Madras, at 11 a.m. on Saturday, the 5th December 1959.

Mr. Speaker, Mr. Chairman, Hon'ble Members of the Legislature, Colleagues and Friends,

While inaugurating this New Session of the Madras Legislature, it is my pleasant privilege and duty to dwell briefly on the current problems and prospects before the State and to beseech you all to extend to the Government your whole-hearted co-operation towards maintaining a progressive administration.

2. Looking back on the year that has gone by after my last address, we are pleased to note that law and order have been generally well maintained all over the State. Notwithstanding the drastic curbs on the import of machinery and essential raw materials, industrial production is steadily rising and the expansion programmes of our main industries like textiles, cement, sugar and light engineering, are making satisfactory progress. Seasonal conditions have been generally fair so far and our major irrigation reservoirs are holding adequate supplies to sustain the crops on ground. The north-east monsoon has set in time and good falls have been registered in most districts. Let us hope that the deficiencies in rainfall reported from pockets in some districts will be wiped off before the season closes.

3. The one dark spot in this picture is the persistent upward trend in the prices of essential articles, more particularly of foodgrains. It may no doubt be true that this trend cannot altogether be avoided in a developing economy and that the rise in agricultural prices is of immediate benefit to the tillers of the soil who form the bulk of the population. But this does cause considerable hardship to the fixed income groups in urban centres and also induces an inflationary trend by pushing up the manufacturing costs of industrial and consumer products. Hon'ble Members are well aware of the measures initiated by the Government early this year to check the rise in food prices and to build up a buffer stock of rice for distribution through fair-price shops during the lean months. In implementing those measures we were handicapped by the fact that price-control was not enforced adequately in the neighbouring States and that we could not also regulate the inter-State movement of foodgrains. However, we managed to procure over one lakh tons of rice and with this stock, supplemented by supplies now being released from the Central Pool, we have opened over 2,000 fair-price shops, mostly in urban

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centres. The off-take from these shops is now fairly steady at about 30,000 tons per month and we hope to keep them open till the main harvest comes into the market.

4. We can find a lasting solution to the food problem only by stepping up internal production. Towards this end we have set a target of 12·79 lakhs tons of additional production for the Second Plan period. During the first three years of this Plan, we have actually accomplished an additional production of 6·39 lakhs tons and hope to reach about 9 lakhs tons by the end of the current Plan. The deficiency of about 3 lakhs tons is primarily due to the fact that we were not able to import adequate quantities of chemical fertilisers. The total food production at the end of the Second Plan is expected to be about 53 lakhs tons under normal seasonal conditions and this may leave us with a surplus of about 3 lakhs tons a year. The fact that we are now about self-sufficient in food is borne out by the fact that we have maintained adequate supplies within the State even after an annual draw-off of about 2 lakhs tons towards Kerala.

5. The Ford Foundation of America has recently sponsored a scheme called the Package Plan towards stepping up agricultural production. Under this Plan the Ford Foundation would assist this country to meet the complete requirements, in chemical manures, seeds, implements, pesticides, agricultural credit, etc., of all cultivators of any one district selected on the basis of an assured supply of water for irrigation in each State. Proposals are now under consideration for implementing this Scheme.

6. The various measures initiated in the Co-operative Sector to provide agricultural credit, are making steady progress. The co-operative movement now covers 90 per cent of the villages to serve 40 per cent of the population and provides Rs. 17 crores of rural credit. Plans are now under way to organise another 500 credit societies and to revitalise about 500 small-sized societies, and when this programme is completed towards the end of this year all villages in this State will be covered by the co-operative movement.

7. Active steps are being taken by the Government to implement the provisions of the Madras District Development Councils Act, 1958, and the Madras Panchayats Act, 1958. The District Development Councils will be established in the districts from 1st January 1960. There will be two Development Councils for each of the revenue districts except the Nilgiris, Kanyakumari and Chingleput districts and one Council for each of the three other districts. A phased programme has been drawn up for the implementation of the Madras Panchayats Act. It is intended that the entire programme should be completed by 2nd October 1961, the target date fixed in the Act, passed by you.

8. Satisfactory progress is being maintained on all schemes included in the Second Five-Year Plan. A good start has been made on the Parambikulam multi-purpose Project intended to irrigate 250,000 acres of land and generate 100,000 kilowatts of

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power. The Periyar Hydro-Electric Project has been completed during this year and 105,000 kilowatts of power have been added to the Madras Grid. The first generator of the Kundah Hydro-Electric Project will be commissioned early next January and the other units will follow in quick succession, to generate 180,000 kilowatts of additional power by the end of 1960. Consequently all new industrial loads can be now connected with ease and there will not be any power cut during the ensuing dry weather. The Rural Electrification programme has been accelerated and about 10,000 villages will be covered by the end of this Plan, leaving a balance of about 8,000 villages only to be taken up in the Third Five-Year Plan. The Neyveli Lignite Project is maintaining steady progress and we may expect the large Thermal Plant, the Fertiliser Factory and the briquetting and carbonising plants to go into production in 1961–62. The new sugar factories and spinning mills in the Co-operative Sector are all making rapid progress. Of the new major industries in the private sector, the rayon factory at Mettupalayam and the cement factory in Ramanathapuram district are expected to go into production soon. Negotiations for the Aluminium Plant at Salem and the Paper Plant at Mettur are nearing completion.

9. The financial target as originally set for the Second Plan of this State was about Rs. 152 crores. The outlay in the first three years amounted to about Rs. 92 crores, and with an anticipated outlay of about Rs. 36 crores in the current year, the total for four years will be about Rs. 128 crores. At the present pace of progress we may budget for Rs. 38 crores in the final year, taking the total to about Rs. 166 crores. To this must be added the cost of the machinery and equipment of the Kundah Project amounting to about Rs. 10 crores supplied by the Government of Canada as a part of the Colombo Plan. We may therefore take some comfort from the thought that through our exertions in raising additional resources and in organising the administrative machinery, we have exceeded the original financial target by a substantial margin.

10. In the light of the experience gained so far, we may now proceed to frame the Third Plan for the State. Provision may be made in this plan to step up food production further by more intensive methods of cultivation and by exploring all possibilities of diverting to this State some of the surplus waters of adjacent States. The Development of Power should continue to receive high priority as in the current Plan. Steps should be taken to start a steel plant based on the Salem iron ore and Neyveli lignite. The further industrial possibilities in the lignite belt should be exploited. The prospects of tapping mineral oils in the Cauvery belt should be explored. To meet the growing industrial demands, the transport system should be strengthened and new port facilities should be provided with high priority to the Sethusamudram Project. In order to consider all these matters and to tender proper advice to the Government, an All-Party Committee of this Legislature has been recently constituted and the Committee has already commenced its deliberations. I take this opportunity to

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appeal to the leaders of all political parties and the other Members of this Committee to devote themselves wholeheartedly to this purpose so that we may frame a practical Plan consistent with our needs and resources.

11. The details of the Bill fixing a ceiling on land-holdings are now being worked out. Other proposals coming up for your consideration are—

(*a*) A Bill to extend the Madras Cultivating Tenants Protection Act, 1955, and the Madras Cultivating Tenants (Payment of Fair Rent) Act, 1956, to Shencottah taluk of the Tirunelveli district;

(*b*) a Bill to amend the Madras General Sales Tax Act, 1959, for shifting the levy of sales tax on tea from single point to multi-point, with retrospective effect from 1st April 1959; and

(*c*) a Bill to enact separate legislation for the administration of the Incorporated and Unincorporated Devaswoms of the Kanyakumari district and the Shencottah taluk of the Tirunelveli district.

12. Before I close let me express my earnest desire that you will conduct your deliberations with decorum, dignity and a high sense of public duty. There are indeed differences amongst you on political ideologies, but in stressing these differences you should keep in mind that you are all working towards the common purpose of ensuring the proper administration of this State and increasing production in agricultural and industrial fields. The need to demonstrate this oneness of purpose, is all the more great now since the country has cause to apprehend danger from across the borders. (Cheers).

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